

INITIAL STUDY ENVIRONMENTAL CHECKLIST FORM

1. PROJECT TITLE

Gill Ranch Gas Storage Project
Gill Ranch Storage, LLC (GRS) Application No. A.08-07-032
Pacific Gas and Electric Company (PG&E) Application No. A.08-07-033

2. LEAD AGENCY NAME AND ADDRESS

California Public Utilities Commission (CPUC)
Energy Division
505 Van Ness Avenue
San Francisco, California 94102

3. CONTACT PERSON AND PHONE NUMBER

Eric Chiang, Project Manager
Energy Division
Phone: (415) 703-1956
E-mail: EYC@cpuc.ca.gov

4. PROJECT LOCATION

The proposed Storage Field would utilize depleted reservoirs in the Gill Ranch Gas Field (Gas Field). The Gas Field is located in central California's San Joaquin Valley, primarily in western Madera County. A portion of the Gas Field spans the San Joaquin River into Fresno County. The proposed gas pipeline would extend from the Storage Field to PG&E's existing Line 401 near Interstate 5, southwest of the Storage Field. The electric power line would extend from the Storage Field to the existing PG&E Dairyland-Mendota Power Line, northwest of the Storage Field.

5. PROJECT SPONSORS' NAMES AND ADDRESSES

Gill Ranch Storage, LLC
220 NW Second Avenue
Portland, Oregon 97209

Pacific Gas and Electric Company
77 Beale Street
San Francisco, California 94105

6. GENERAL PLAN DESIGNATION

The Project areas in Madera County (portion of the Storage Field, portion of the gas transmission pipeline, electric power line) are designated Agricultural Exclusive in the Madera County General Plan. The Project areas within Fresno County (portion of the Storage Field, portion of the gas transmission pipeline) are designated Agriculture in the Fresno County General Plan.

7. ZONING

The Project areas within Madera County are zoned Agricultural Rural Exclusive, 40 acres. The Project areas within Fresno County are zoned Agricultural Exclusive.

8. DESCRIPTION OF THE PROJECT

The Project includes construction, operation, and maintenance of:

- Gill Ranch Gas Storage Field (Storage Field) for storage of natural gas
- Injection and withdrawal (IW) wells at existing and new well pad sites
- Observation and monitoring (OM) wells at existing and new well pad sites
- Central compressor station and associated facilities
- Natural gas pipeline from the Storage Field to PG&E’s existing gas Line 401
- 115-kilovolt (kV) electric power line

9. SURROUNDING LAND USES AND SETTING

The Project Area is located in central California’s San Joaquin Valley in an agricultural area within the unincorporated western portions of Madera and Fresno Counties. The Storage Field is used for agricultural purposes. The surrounding land uses along the pipeline corridor are primarily agricultural. Other land uses include the Mendota Wildlife Management Area and the Alkali Sink Ecological Reserve. Surrounding land uses along the electric power line are in agricultural production.

10. OTHER PUBLIC AGENCIES WHOSE APPROVAL IS REQUIRED

The Applicants must obtain the permits listed in Table IS-1.

Table IS-1: Required Permits and Approvals for the Proposed Project		
Project Approvals	Issuing Agency	Purpose/Covered Activity
Federal		
Clean Water Act Section 404/Rivers and Harbors Act	US Army Corps of Engineers	Utility line activities in waters of the U.S.
Section 7 Consultation (in connection with Nation Wide Permit [NWP] 12): Incidental take Permit	US Fish and Wildlife Service	Endangered Species Act compliance
NHPA Section 106 Consultation (in connection with NWP 12): Memorandum of Agreement	State Historic Preservation Officer	Compliance with national Historic Preservation Act
State		
Water Quality Certification (required as condition of NWP 12)	Central Valley Regional Water Quality Control Board	Compliance with water quality standards and plans
Notice of Intent to Comply with General Order No. 5-00-175 (or its replacement) for Dewatering and Other Low Threat Discharges	State Water Resources Control Board	Construction activities and discharge of hydrostatic water
Encroachment Permit	Department of Water Resources	Pipeline aqueduct crossing
General Lease/Right of Way Use	State Lands Commission	Pipeline river crossing
Permits to Conduct Well Operations	Division of Oil, Gas, and Geothermal Resources	Well drilling and operation
Authorization to Inject Produced water	Division of Oil, Gas, and Geothermal Resources	Injection well drilling and operation
Encroachment Permits	Department of Transportation	Pipeline highway crossings
PRC Section 1601 Streambed Alteration Agreement	Department of Fish and Game	Pipeline river crossing

Table IS-1 (Continued): Required Permits and Approvals for the Proposed Project

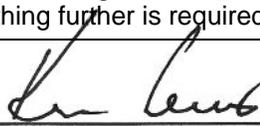
Project Approvals	Issuing Agency	Purpose/Covered Activity
Authority to Construct/Permit to Operate	San Joaquin Valley Air Pollution Control District	Compressor Emissions
State		
National Pollutant Discharge Elimination System General Permit for Discharge of Construction Related to Storm Water	Central Valley Regional Water Quality Control Board	Management of storm water during construction
Local		
Building and Occupancy Permits	Madera County	Compressor site facilities
Grading Permit	Madera County	Compressor site improvement
Nondiscretionary Permit	Madera County	Accessory project facilities
Encroachment/Other Permits	Madera County/Fresno County	Road crossings
Domestic Well Permit	Madera County	Compressor site domestic water supply
Other		
Encroachment Permit	Union Pacific Railroad	HDD under railroad tracks

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality | <input type="checkbox"/> Land Use and Planning |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise | <input type="checkbox"/> Population and Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation and Traffic |
| <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

ENVIRONMENTAL DETERMINATION

<p>On the basis of this initial evaluation:</p> <p>I find that the Proposed Project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.</p>	<input type="checkbox"/>
<p>I find that although the Proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the applicant. A MITIGATED NEGATIVE DECLARATION will be prepared.</p>	<input checked="" type="checkbox"/>
<p>I find that the Proposed Project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT (EIR) is required.</p>	<input type="checkbox"/>
<p>I find that the Proposed Project MAY have a "potentially significant impact" or "potentially significant impact unless mitigated" on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An EIR is required, but it must analyze only the effects that remain to be addressed.</p>	<input type="checkbox"/>
<p>I find that although the Proposed Project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the Proposed Project, nothing further is required.</p>	<input type="checkbox"/>
 <hr/> Ken Lewis, Deputy Director Energy Division California Public Utilities Commission	09/11/09 <hr/> Date